

ECONOMIC COUNCIL LETTER

Published by

NATIONAL ECONOMIC COUNCIL, Inc.

350 Fifth Ave., New York 1, N. Y.

903 First National Bank Bldg., Utica 2, N. Y.

600 Investment Building, Washington 5, D. C.

1559 Continental Illinois Bank Bldg., Chicago 4. Ill.

Council Letter No. 128
December, 1944

What Are Our War Aims?

BRITAIN and France lacked the will to stop Hitler in 1936 when he moved forward to the Rhine. Yet these same countries attempted the impossible when, in 1939, they guaranteed the integrity of Poland. And when Hitler moved into Poland in September of that year, they declared war on Germany.

E
I
6
0
4
We are told daily through the propaganda agencies that we are fighting to preserve our liberties. This has now become true. Yet our liberties were quite secure just before we entered the war; for few things are more clear from recent events than that a country does not need to go into a war unless its leaders decide to put it in. Since Turkey, Sweden, Switzerland, Spain and Ireland—all of them in the very midst of hostilities—have kept out, the argument that the United States, possessing most of the wealth of the world and with several thousand miles of ocean on either side, could not keep out, loses its force.

Yet the practical fact today is that we are in the war—we have been in for three years, and we have got to win. No one in the United States denies that.

The sixty-four-dollar question is, what will constitute winning the war? How shall we know we have won it? *What, in other words, are the war aims of the United States?*

The American people, and in particular the 79th Congress which is to assemble January 6, 1945, had better answer these questions, and had better answer them right. For on their finding the right answers may depend the continuance of our existence as a free people.

* * * * *

Let us pause a moment to reflect that to a greater or less extent we did not know what we were getting into when we got into this war.

For instance, some of our most experienced

leaders in Congress had no idea. On February 10, 1941, the President of the Economic Council, testifying before the Foreign Relations Committee of the United States Senate, stated that it was "not unfair to suppose that should we enter the war we would spend from 100 to 250 million a day." Whereupon Senator Connally, now Chairman of that Committee, rather scornfully questioned that statement. (Pages 752-753 of the Proceedings.) Yet for a year or more past, our spending has equalled 250 million a day. Until Germany capitulates, and Germany is the smaller part of our problem, it will in all probability continue to be 250 million a day.

In fact, at the present time and for some time past, the spendings of the United States exceed the spendings of all other belligerent powers (both our associates and our enemies) put together. Our national debt in three years has grown from 44 billion to 226 billion. Today it practically equals the combined debts of all the other belligerent powers, including both our associates and our enemies. If the war in Europe lasts until next spring or summer, and the war in Japan lasts for two or three years more, which is the expectation of well-informed persons at the moment, our debt will probably reach 400 billion, and probably will be more. This is about 50 billion more than our entire national wealth. Such being the case, if we are not to retain permanently a totalitarian form of government, the most intense effort of mind and spirit will be required of our people and their Congress. There is henceforth and forever no place in American politics for a tagtail policy like the see-you-and-raise-you policy of Mr. Dewey and his party in the recent political campaign.

* * * * *

Our foreign policy has been a policy of drift.

It has mainly been made, not by considerations of our own high interests, but largely by propaganda of the British and Russian interests in the United States. Sometimes these have conflicted. More often they have worked in accord. When Mr. Churchill, in the House of Commons at the time when Singapore fell, boasted of the fact that he had worked for a very long time to bring the United States into the war, he was admitting this.

What our foreign policy will be under Mr. Stettinius remains to be seen. His statement on December 12 to the Senate Foreign Relations Committee that it is to be "a liberal and forward-looking foreign policy," of course means nothing. Under Mr. Hull it has far too often been a policy that put the interests of Britain and Russia before those of the United States. Our pledging all-out aid to Russia against Hitler, while failing, as apparently we did, to exact at the same time pledges from Russia for aid against Japan, is an illustration of this. British and Russian foreign policy have kept their own interests uppermost, first, last and all the time. We have not kept ours uppermost—in fact, our leaders seem often to have taken a strange pride in the fact that we were going all out for Britain and Russia, without showing any adequate benefit to the American people. We have let Britain and Russia tell us what to do. In pursuance of this alien-made policy, we have put 12 million of our best men under arms, have sent 5 million of them overseas; have poured out some 250 billion dollars; and meanwhile have indulged in reckless or visionary schemes in many parts of the world. All this has been done under the guise of "democracy," although this "democracy" is now seen more and more to be synonymous with Russian communism. And we still have no policy worthy of the name.

Indeed, as we observe the truckling of our government to Communism at home, and the appeasement of Soviet ideology all over the world, the Arsenal of Democracy would seem to have become the Arsenal of Communism.

* * * * *

Meanwhile we are told a hundred times a day by alien-manned and costly organs of propaganda, that when this war ends a "new order" will emerge; a brave new world will await us. The implications are that in material, cultural, spiritual and all other advantages, this new order will surpass anything we have ever known before.

But the plain truth is that at the end of the war the United States will take its place among the

poverty-stricken countries of the world. We will have spent our natural resources so recklessly, will have so overloaded ourselves with debt, and, vastly more important, we will have permitted ourselves to be so regimented by governmental restrictions and prohibitions, that life will be burdensome and dreary for all save some three or four million officeholders whose preferred position will not be unlike that of the members of the Communist Party in Russia. And in order to bring about this situation of such questionable desirability, we will have caused a million or more of our finest men to lay down their lives, and another million to become maimed. And we will have thrown away the savings of three centuries.

* * * * *

Hence, as this 79th Congress prepare to take their seats, it is high time for our present condition to be reviewed,—reviewed with all the candor and self-interest that Mr. Churchill or Mr. Stalin is accustomed to employ,—and the necessary reversal of policy effected. Our present precarious position demands we do no less; and coming generations of Americans will curse us if we fail to do as much.

We have said that America has no foreign policy with respect to Europe. This is not quite true. With respect to Germany our policy-makers have been bowing down before the idol of "unconditional surrender."

Is this policy of unconditional surrender in the best interest of the American people? Can we afford it?

A strong body of British opinion is saying openly that England cannot afford it. In order to live after the war, Britain must recover and increase her foreign trade. The excellent newsletter *Human Events* recently quoted a statement of the British Board of Trade (corresponding to our Department of Commerce) that after the war Britain would have to raise its exports 50 per cent *over pre-war figures* if the country is to maintain its standard of living and make ends meet. Germany was long Britain's best customer on the European continent. It will be important to Britain after the war for Germany again to become a customer. Yet the worse the destruction in Germany, the longer will her recovery require.

It seems to us that on purely material grounds alone, we in the United States can little better afford it. The lion's share of the cost of the attack on Germany is borne by us. Likewise we will largely bear the cost of rehabilitation after the war. The longer this war lasts, the worse off

we will be, and the more certain will be a post-war totalitarian government in the United States.

We are a Christian country. We accept as an ideal, "Peace on earth to men of good will." We know from our individual experiences and from history that no enduring friendship or good understanding can be based on continued ill-will. Hatred that is allowed to continue is the complete negation of the Christian tradition, on which all Western civilization has developed. Some future day, we or our children have got to live with these people.

During the early days of this war and to some extent even now, a certain element in the United States seemed bent on the necessity of inculcating hatred in our soldiers. Something very like this studied, cultivated hatred is at the bottom of the continued insensate demand for unconditional surrender. This demand we think is not truly American. It has its rise among those who have lived under totalitarian governments. It is Eastern, Asiatic. It is alien. It is neither Christian nor American. Back in the summer, General Eisenhower expressed a conviction that Germany could be defeated before Christmas. Then in September, in Quebec, Mr. Morgenthau in a speech demanded that Germany be deprived of all industry and be permitted to pursue in future a mere pastoral existence. Instantly the Germans were steeled to fight to the last ditch—we have the testimony of informed, able writers to this effect. Without doubt that Quebec speech will lead directly to the death of many additional American soldiers.

If, now, after the manner of those who think like Secretary Morgenthau, we make it our purpose to root out and destroy enough Germans so that the few who remain will throw down their arms and beg for mercy, we may satisfy a certain vociferous element in our community. But we shall have paid for this vain satisfaction with several hundred thousand American lives; we shall have needlessly consumed even more of our resources which are nearing depletion; we shall have added to the number of poverty-stricken Germans whom we know perfectly well we shall be called upon later to save from starvation. And, more than all else, we shall have sown in Europe a hatred of us that a long lapse of time will not remove.

* * * * *

Certain propagandists and their numerous followers say that the second World War came on because the United States declined to enter the League of Nations, and because we "withdrew

from Europe" after the last war and "retired into our shell." Nothing could be farther from the truth. The fact is that down to 1933 we did more than any other country to aid Europe to get to her feet. We loaned her six billion dollars after the war ended; we scrapped nearly a million tons of our navy; we sat in conference after conference, designed to preserve the peace. The present war came because Britain and France did not stop Hitler in 1936 when they could have done so.

* * * * *

But we are in the most destructive war in all history. Why? What for? If allowed to continue along present lines to its conclusion, Soviet Russia will dominate the whole of Western Europe, including Britain. Is that what we want? If, after we have reconquered the Philippines and sufficient of the Dutch East Indies and British Eastern possessions, Russia should enter the war against Japan, she would be able, because of her very proximity, largely to dictate the peace in Asia. Is that what we want?

In the material interest of both ourselves and Britain, our first move should be to state to the Germans our peace terms. And these should be no more severe than the genuine defeat of Germany and the Nazis actually requires. In January, 1918, Mr. Wilson stated his Fourteen Points, on the strength of which the Germans accepted armistice terms in November. Prompt statement now of our terms, with assurances on which Germany would be warranted in relying in good faith, should bring an end of fighting in Europe in thirty days.

Britain is clearly and definitely making post-war plans. She knows precisely what she wants. So does Soviet Russia, which in every country has a strong Communist party, made up of members whose first duty is to make that country Communistic. Both of these regimes would have to stop in their tracks, but for the continued outpouring of American men and resources.

Yet, what are our war aims?

We cleared France of Nazis. Naturally, the French took over, which was proper, for it was their homeland. Now, slowly but steadily, as we win back islands in the Dutch East Indies, the Dutch take over. Ours will be the major part of the forces (and the casualties and cost) that will win back British, French and Dutch possessions in the Pacific War. It is certain that as we do this, British, French and Dutch officialdom will be ready to move in.

Are we not re-establishing the imperialism of

these nations? Is not the final result of the war, the more certain as the war is needlessly prolonged, to be the setting up of Soviet Russia as the world's greatest imperialism?

We are pouring out the blood of our best and we are recklessly shoveling out the savings of our people in the laudable purpose of destroying Naziism and Fascism, but also with the almost certain effect of enthroning Communism throughout Europe and Asia, and perhaps throughout the world.

Therefore since the longer the war lasts the worse will be the predicament of the United States, is it not time to inform Germany of the terms on which we will accept its surrender—as a first step in restoring world order and sanity?

And in framing these terms, let us indeed include provisions for punishment of those clearly responsible for genuine crime. But let us not

yield to the demand for mass punishment—for Old Testament vindictiveness. Let us offer a peace that will hold out some hope of eventual good-will among our enemies—a peace founded on the gospel of Christ—on the mercy of the later Old Testament writings.

Since we have already won against Germany, let us not pursue the suicidal policy of cruelty because she has been cruel. Let us rather act as Solomon counseled in his Proverb:

"Envy not the oppressor, and choose none of his ways."

Merwin K. Hart

President

NATIONAL ECONOMIC COUNCIL, INC.